



Senate

General Assembly

File No. 655

February Session, 2022

Substitute Senate Bill No. 452

Senate, April 26, 2022

The Committee on Appropriations reported through SEN. OSTEN of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-55i of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2022*):

3 (a) There is established the "Mashantucket Pequot and Mohegan
4 Fund" which shall be a separate nonlapsing fund. All funds received by
5 the state of Connecticut from the Mashantucket Pequot Tribe pursuant
6 to the joint memorandum of understanding entered into by and
7 between the state and the tribe on January 13, 1993, as amended on April
8 30, 1993, and any successor thereto, shall be deposited in the General
9 Fund. [During the fiscal year] For the fiscal years ending June 30, 2015,
10 [and each fiscal year thereafter] to June 30, 2022, inclusive, from the
11 funds received by the state from the tribe pursuant to said joint
12 memorandum of understanding, as amended, and any successor
13 thereto, an amount equal to the appropriation to the Mashantucket
14 Pequot and Mohegan Fund for Grants to Towns shall be transferred to

15 the Mashantucket Pequot and Mohegan Fund, [and shall be distributed
16 by the Office of Policy and Management, during said fiscal year, in
17 accordance with the provisions of section 3-55j.] The Office of Policy and
18 Management shall make distributions from the Mashantucket Pequot
19 and Mohegan Fund as follows: (1) For the fiscal year ending June 30,
20 2023, and each fiscal year thereafter, three thousand dollars to each of
21 the three tribes identified as The Schaghticoke, the Paucatuck Eastern
22 Pequot and the Golden Hill Paugussett; (2) for the fiscal year ending
23 June 30, 2024, and each fiscal year thereafter until the fiscal year in which
24 the total amount in the fund reaches one hundred thirty-five million
25 nine thousand dollars, twenty million dollars shall be deposited into the
26 Mashantucket Pequot and Mohegan Fund; and (3) distributions to the
27 Mashantucket Pequot and Mohegan Fund beginning with the fiscal year
28 ending June 30, 2024, and each fiscal year thereafter, shall increase by
29 the deposit of twenty million dollars that has been made pursuant to
30 subdivision (2) of this subsection.

31 (b) The amount of the grant payable to each municipality during any
32 fiscal year, in accordance with [said] section 3-55j, shall be reduced
33 proportionately if the total of such grants exceeds the amount of funds
34 available for such year. The grant shall be paid in three installments as
35 follows: The Secretary of the Office of Policy and Management shall,
36 annually, not later than the fifteenth day of December, the fifteenth day
37 of March and the fifteenth day of June certify to the Comptroller the
38 amount due each municipality under the provisions of section 3-55j and
39 the Comptroller shall draw an order on the Treasurer on or before the
40 fifth business day following the fifteenth day of December, the fifth
41 business day following the fifteenth day of March and the fifth business
42 day following the fifteenth day of June and the Treasurer shall pay the
43 amount thereof to such municipality on or before the first day of
44 January, the first day of April and the thirtieth day of June.

45 (c) The transfers from the General Fund to the Mashantucket Pequot
46 and Mohegan Fund required by subsection (a) of this section shall not
47 be reduced except upon (1) submission to the General Assembly by the
48 Governor of a certification of an emergency requiring such reduction;

49 and (2) a vote of at least two-thirds of the members of each house of the
50 General Assembly approving such reduction.

This act shall take effect as follows and shall amend the following sections:

| | | |
|-----------|--------------|-------|
| Section 1 | July 1, 2022 | 3-55i |
|-----------|--------------|-------|

Statement of Legislative Commissioners:

In Section 1(a)(3), "pursuant to subdivision (2) of this subsection" was added for clarity and in Section 1(b), "said section" was changed to "[said] section 3-55j" for clarity.

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 23 \$ | FY 24 \$ |
|-------------------------------|----------------------|----------|------------|
| Resources of the General Fund | GF - Revenue Loss | 9,000 | 20 million |
| Policy & Mgmt., Off. | MP&MF - Revenue Gain | 9,000 | 20 million |

Note: MP&MF=Mashantucket Pequot and Mohegan Fund; GF=General Fund

Municipal Impact:

| Municipalities | Effect | FY 23 \$ | FY 24 \$ |
|--------------------|--------------|----------|------------|
| All Municipalities | Revenue Gain | None | 20 million |

Explanation

The bill results in an increase in deposits into the Pequot Fund of \$20 million annually until the annual deposits into the Fund total \$135 million. The bill specifies that FY 24 is the first year of the increase in annual deposits. This results in an increase in state aid to municipalities, and a corresponding loss of Indian Gaming revenue to the General Fund.

The bill also specifies the distribution of three \$3,000 payments to three state recognized Native American tribes (for a total of \$9,000 annually).

The Out Years

The revenue loss to the General Fund, and corresponding revenue gain to the Pequot fund and increase in state aid to municipalities, will

increase by \$20 million annually until reaching \$135 million in FY 27 and annually thereafter.

OFA Bill Analysis**SB 452*****AN ACT CONCERNING THE MASHANTUCKET PEQUOT AND MOHEGAN FUND.*****SUMMARY:**

The bill specifies the funding level of the Mashantucket Pequot and Mohegan Fund in FY 24 and annually thereafter. The bill requires transfers to the fund to increase to approximately \$135 million in \$20 million increments over four years. The bill also specifies \$9,000 in payments of \$3,000 each to three state-recognized Native American tribes: the Schaghticoke, the Paucatuck Eastern Pequot, and the Golden Hill Paugussett.

The bill appears to eliminate 1) any General Fund transfer to the Pequot fund, and 2) the requirement for deposits into the Pequot Fund to be distributed according to the Pequot formula prescribed in CGS 3-55j.

Lastly, the bill precludes a reduction in transfers to the Pequot Fund unless 1) the Governor submits a certification of emergency requiring such reduction to the General Assembly; and 2) the General Assembly approves such reduction by a two-thirds vote.

EFFECTIVE DATE: July 1, 2022

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Substitute

Yea 50 Nay 0 (04/07/2022)